

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6889

BILL NUMBER: HB 1739

NOTE PREPARED: May 1, 2007

BILL AMENDED: Apr 5, 2007

SUBJECT: Sale of Handguns.

FIRST AUTHOR: Rep. Pelath

FIRST SPONSOR: Sen. Nugent

BILL STATUS: Enrolled

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: *Form 4473:* This bill eliminates the requirement that a firearms dealer, after selling a handgun, must forward a copy of Bureau of Alcohol, Tobacco, Firearms and Explosives Form 4473, completed and signed by a handgun purchaser, to the State Police Department.

Gun Sales to Nonresidents: The bill provides that a lifetime qualified license or a lifetime unlimited license to carry a handgun may not be issued to a person who is a resident of another state.

Effective Date: July 1, 2007.

Explanation of State Expenditures: *Form 4473:* This provision should have little impact on the ISP in terms of administrative expenses. In fact, it could reduce administrative expenses. Currently, the ISP receives the form and retains them for about 30 days. The bill would eliminate the requirement that the ISP process and retain the form for this limited time. The information contained on the form would be available on a federal database.

Explanation of State Revenues: Providing that a lifetime qualified license or a lifetime unlimited license to carry a handgun may not be issued to a person who is a resident of another state will reduce license fee revenue collected from the sale of handguns.

Background: Licenses to carry handguns are qualified or unlimited and are valid for 4 years or the life of the individual receiving the license in the case of a lifetime license. A qualified license is issued for hunting and target practice. Unlimited licenses are issued for the purpose of protecting life and property. In addition to the application fee, the fee for a qualified license is \$5 for a 4-year qualified license and \$25 for

a lifetime license from a person who does not currently possess a valid Indiana handgun license. The fee for a lifetime qualified license is \$20 from a person who currently possesses a valid Indiana handgun license. With respect to an unlimited license, in addition to the application fee, the applicant must pay \$30 for a 4-year unlimited license and \$75 for a lifetime unlimited license from a person who does not currently possess a valid handgun license. If the person currently possesses a handgun license, the additional fee is \$60 for a lifetime unlimited license. These additional fees are to be deposited in the state General Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues: The law enforcement agency that accepts an application for a handgun license collects the following application fees:

- (1) From a person applying for a 4-year handgun license, a \$10 application fee (\$5 is refunded if the license is not issued).
- (2) From a person applying for a lifetime handgun license who does not currently possess a valid Indiana handgun license, a \$50 fee (\$30 is refunded if the license is not issued).
- (3) From a person applying for a lifetime handgun license who currently possesses a valid Indiana handgun license, a \$40 application fee (\$30 is refunded if the license is not issued).

Fees are deposited into the agency's firearms training fund and used to train law enforcement officers in the proper use of firearms or in other law enforcement duties, or to purchase firearms or firearm-related equipment. If the law enforcement agency is a city or town, the fee is deposited in the law enforcement continuing education fund.

State Agencies Affected: ISP.

Local Agencies Affected: Law Enforcement Agencies.

Information Sources: ISP.

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